Questions for Standalone Convertible Strategy Investment Management Services RFP

Question: Is the Firm Questionnaire available as a word document?

Answer: We have posted a Word version of the *Firm Questionnaire* for your convenience on our web portal. Download available at: https://portal.ct.gov/OTT/Doing-Business/Requests-for-Information-Proposals-Bids

Question: If we can submit more than one strategy, do we have to submit a complete separate RFP document for each strategy or combined information for both strategies in one document? Do we have to submit two sets of attachments for each strategy proposed?

Answer: Multiple responses must be submitted separately. Please do not combine responses.

Question: We noted that the proposed benchmark will be the ICE Bank of America All US Convertibles Index but were wondering if you would consider a different benchmark? Would you consider a global benchmark?

Answer: As this is a tactical portfolio position, we are open to any index that a strategy may be benchmarked to, including global. In your response, please include some reasoning why you are benchmarked to that index and why you believe it covers the most optimal investment universe for convertible securities.

Question: Regarding the Legal and Policy Attachments A through M, it isn't clear as to which attachments are required to be completed at this stage of the RFP submission. Can you please advise whether all attachments (A through N) are required once the contract is awarded? Or are there specific attachments to be completed with submission of the RFP?

Answer: All attachments are required with the RFP submission for the office of the Treasurer to properly complete a due diligence process.

Question: Is this RFP for a long-only approach or is it possible to submit a hedged fund approach?

Answer: At this time we are looking for a long-only approach.

Question: **Would you consider a global track record (vs. a global benchmark) for this RFP to demonstrate the alpha generation capabilities of our investment process?**

Answer: We will consider all long-only convertible strategies.

Question: Question iii in section D asks about clients "gained and lost" over the last three years and question iv asks about clients who have "terminated" in the last three years. Is December 31, 2019 the "as of" date for question iii also??

Answer: Question iii is more concerned with the clients gained and net changes in clients and AUM whereas question iv is focused on the terminations and the reasons for those. For question iii, please cover more recent terminations that have occurred after the 12/31/19 date.

Question: Regarding Performance History Question g. ii, we assume the attribution should be versus a benchmark?

Answer: Yes. Please use the benchmark you are proposing.

Question Is there a risk/return target for the manager relative to the ICE BofA All US Convertibles Index (VXA0)?

Answer: There are no explicit targets that we are requesting.

Question: Will the State consider a manager with a more conservative investment approach?

Answer: Yes.

Question: Will consideration be given to splitting the mandate between two managers that offer different investment styles within the convertible asset class?

Answer: We are looking for a single manager.

Question: Does this convertible mandate need to be managed in a separate account structure (as mentioned at the end of the first paragraph in Section I), or would the State be just as open to a commingled structure?

Answer: We have a preference for a separate account structure.

Question: Clients, i. Is the State seeking the number of public pension clients that have over $1 billion in assets total or $1 billion in assets with the respondent?

Answer: Over $1B in assets total.

Question: Investment Process / Strategy xi. The question asks for an excess return target but versus which benchmark? The ICE BofA All Convertible Index or the proposed strategy's benchmark?

Answer: Please use your proposed strategy benchmark.

Question: Regarding "Organizational Relationships" in the Firm Questionnaire; "Identify all subcontractors the Respondent plans to hire in the performance of the services outlined in this RFP." We do not hire subcontractors for investment management services however, we outsource certain operational functions to a third party. These services include investment book record keeping, settlements, collateral management, corporate actions, reconciliations and performance management.   For the purpose of this question, do you consider this this third party a subcontractor?

Answer: In your response to the RFP, please identify the third-party you use for back office support; and the information requested around subcontractors for this entity in the RFP.

Question: Investment Process / Strategy xiv. The question asks for tracking error data but versus which benchmark? The ICE BofA All Convertible Index or the proposed strategy's benchmark.

Answer: Please use your proposed strategy benchmark.

Question: Will you consider strategies that may not meet the minimum three-year investment track record requirement? Or may not meet the minimum $500 million aggregate convertible firm-wide assets?

Answer: We will consider all submitted convertible strategies.

Question: Is the State is amenable to AQR submitting our track record data directly to the State/Consultant instead of populating it within eVestment?

Answer: We will consider all submitted convertible strategies and review all track records.

Question: It was noted that the investment universe may include out-of-index positions, does this include non-convertible securities?

Answer: Opportunistic positions in non-convertible securities can be discussed in guideline negotiations.

Question: I noted it was a 3-year contract, but is this mandate for a strategic long-term allocation to convertibles or more a short-term tactical allocation based on the market opportunity?

Answer: The state is considering a short-term tactical position based on market opportunity.